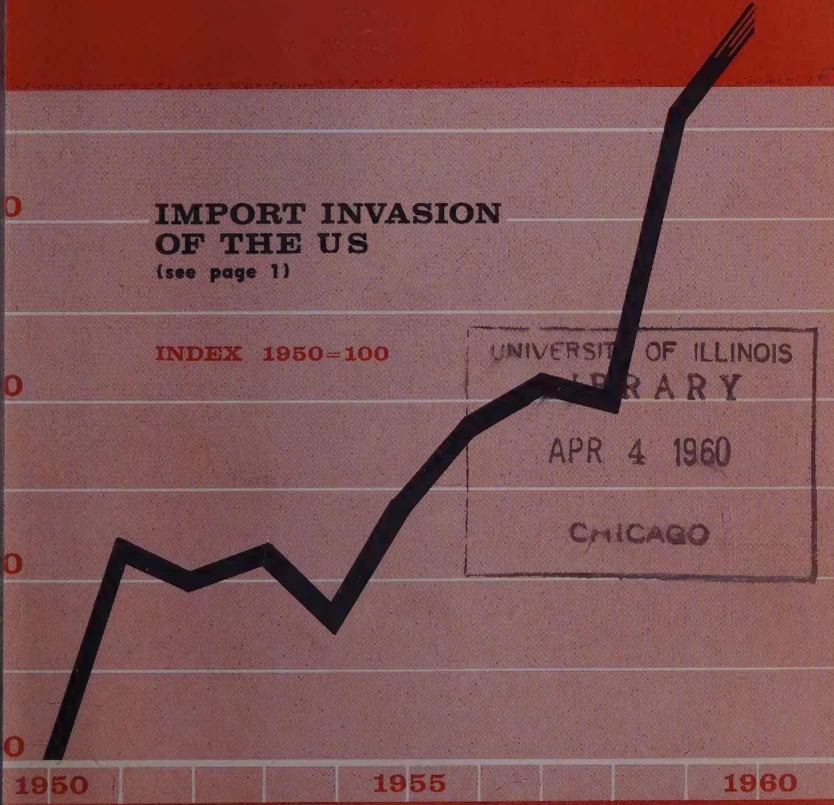
March 30, 1960

Investor's Reader

For a better understanding of business news

IMPORT INVASION OF THE US

(see page 1)



A NEW DOOR . . .
. . . INTO SIXTY-FOUR

With a magnet not a memory, this aluminum storm-screen door "remembers" to close itself when youngsters or oldsters forget. Announced by $560,000,000-assets B F Goodrich Company, the door is pulled shut by force from two magnetic strips of a vinyl magnetic plastic made by the big tire and rubber producer.

This surprising material reacts like metal and Goodrich makes it by impregnating its Koroseal vinyl with "a powder sensitive to magnetism." Widely used as an airtight seal on refrigerators and freezers, the flexible magnet has found a variety of applications including toymaking. The door above, built by Weather-Seal, Inc of Barberton, Ohio marks its entrance into construction.

Goodrich president J Ward Keener, a 51-year-old former economics professor, recently announced a record one-quarter billion for new facilities and equipment in 1960-64. The $50,000,000 earmarked for 1960 is the largest in company history and compares with $34,000,000 last year.

Says Keener: "We intend to invest capital as heavily as we prudently can, at home and abroad." Mindful of a slip in Goodrich net income in 1955-59, the chief executive's No 1 aim is profitability. By 1964, twenty one capital projects are scheduled to make their initial contributions to company coffers.

Among the rubber giants Goodrich currently ranks fourth in sales and third in net income. In 1959 while sales bounced 10.7% over 1958 due to strikes (both steel & rubber) operating earnings dipped a couple of cents to $3.93. However a non-recurring capital gain brought total 1959 earnings to $4.18.

When gazing into his rubber ball for 1960, president Keener sees sales up another 10% and a "by rule of thumb" income boost of 20%.

Accepted as controlled circulation publication at Poughkeepsie, New York. INVESTOR'S READER published fortnightly. This issue dated March 30, 1960.

Investor's Reader

No 7, Vol 34 March 30, 1960

Import Upsurge Poses Problems

Pleases Consumers, Irks Competitors, Skews Payment Balance, Spurs Export Drive

NEXT WEEK a fellow named Yoshio Ichikawa will be on his way back to Tokyo after leading a group of Japanese businessmen on a tour of 13 US and two Canadian cities. His crew was here to see what refinements US and Canadian citizens would like in their Japanese-made binoculars.

Said Ichikawa: "We have a four-part plan. We wish to make a general study of the US market and also set in operation a continuing market survey which will work smoothly after we return to Japan. We hope to institute an educational program on the proper uses of binoculars and we will investigate the special requirements and tastes of the US public."

Binocular salesman Ichikawa is only one of many foreign businessmen who want to capture or—in the case of binoculars—reinforce a spot in the US market. Like many overseas merchants, he brings goods which entice US citizens because they are low priced and usually high quality. The invasion of these enterprising businessmen is a serious threat to many US companies.

The challenge to US manufacturers is to stay ahead of other nations which have an advantage in cheap labor, raw materials and frequently uniqueness of product or design. It is being felt on US shores where foreign products obtain or extend new markets. It is felt abroad where US products find themselves overpriced.

Import Jump. The trend is obvious in US Department of Commerce figures. Imports are rising sharply and exports only partly keep pace. In 1959 imports totaled a record \$15.2 billion *v* \$13 billion in 1958 (see front cover). While exports still outrun imports they dipped to \$17.5 billion in 1959 from

US Lines loads at Rotterdam

$17.8 billion in 1958 and a record $20.8 billion in 1957 because of the Suez crisis.

This part of the picture alone would not be cause for alarm (exports still exceed imports) and the US still has a "favorable balance of trade." However there is concern about the balance of payments—the amount of disbursements to all other countries and vice versa. The root of the problem is this: our favorable trade balance is thrown out of whack because the US pays vast sums in foreign aid and private US business makes a substantial investment in other countries. The result is the US ran a balance of payments deficit of $3.4 billion in 1958 and a redder one of $3.7 billion in 1959.

Gold Consternation. There are two main methods to settle these obligations. One, which has caused considerable consternation, is payment in gold by the US to other nations. In 1958 gold moved out of the country (or more accurately from one corner of the New York Federal Reserve Bank's cavernous cellar to another) at the rate of $2.3 billion and in 1959 at a somewhat less worrisome $1.1 billion. The other method of settlement is the investment by foreign governments in short-term securities in the high-yielding US money market.

The gold stock of the US still stands at a cool $19.5 billion, or more than half the free world's supply. Despite this hill of gold, authorities like Chase Manhattan Bank chairman John J McCloy say: "The plain fact is that a balance of payments deficit of $3-to-4 billion yearly is too much. It increases the claims against the US at too rapid a rate and it causes our creditors justifiably to take a close look at how we are managing things."

Europe in Gear. There are multiple reasons why US payment balances are in the red. An important short-term reason is the recent recession which saw the US economy recover more quickly than Europe's. Hence US consumers and businesses snapped up available foreign goods while overseas customers were not able to buy US goods.

An overriding long-term factor is US contributions which enabled other nations to recreate their plant & equipment on a very modern basis. The European Common Market (IR September 16) has played an important role in enabling European manufacturers to think big; the so-

called Outer Seven will play a similar role.

These international economic factors have hurt some US industries. The auto industry's problems are widely publicized. Equal impact but less attention come in steel & iron, radios, textiles, typewriters, stainless tableware, cameras and hardwood plywood.

The adjacent table lists some items which are streaming into the US at sharply increased rates. Most striking rise, spurred by the strike, is in iron & steel with imports double a year ago (IR, October 28). Autos rose 50% last year, electrical apparatus 47%, and even a little thing like toys and sporting goods 40%.

US Business Partners. The country of origin sheds light on industrial development throughout the world. While the United Kingdom continues in top spot as exporter to the US and scored a 31% gain over 1958, its rate of gain was topped by both Japan (up 53%) and West Germany (up 44%). Both these nations shouldered their way past oil-rich Venezuela as a US supplier, rank second and third respectively. Venezuela of course was hard hit by the imposition of oil quotas by the US. Not content with expanding their exports some foreign producers are setting up US plants, as for instance in chemicals (IR, February 3).

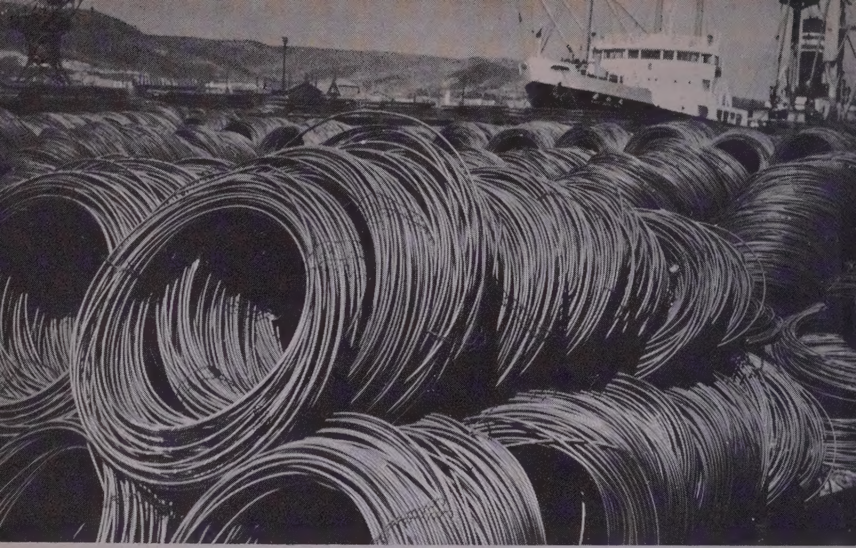
Many a US consumer regards these imports as a great boon—he gets good products at lower cost. If he saves money, he can use it to buy US products which offer better price or quality than the competition. The same consumer, however, may be a businessman or a worker whose efforts are thwarted by foreign competition. Free trade goes two ways.

The most prominent case right now is automobiles, as US consumers like the size and economy of foreign cars. Imports during 1959 totaled 610,000 *v* US production of 5,411,000. They are up from only 25,000 in 1954 and 98,000 in 1956.

There are signs imports may be peaking out; they are predicted by some sources at 500,000 in 1960. Detroit's belated compact cars are part of the answer.

The US auto industry also is dented by problems of export. Industry spokesmen like American Motors export director W H Thoreson wax wroth over "discriminatory" duties and taxes in European countries and

Tape recorders & VWs from Germany



US-bound Japanese steel wire

higher shipping charges for Europe-bound autos than for US-bound. US auto exports slipped to a postwar low of 117,000 in 1959. This compares with 254,000 as recently as 1955. To add to this European car exports outrace the US in other countries.

Critical factor in Europe's auto production advantage of course is labor costs. Car assemblers in West Germany earn about 72¢ an hour compared to their US counterparts' $2.50. But European companies are also stepping ahead with modern production line methods.

A mitigating influence for Big Three automakers GM, Ford and Chrysler is their corporate share in some large European auto producers. American Motors and Studebaker-Packard have less such balm to salve their export wounds.

Like the European car, the European typewriter has made an important impact in the smaller models. Imports have grown from 13,000 in 1948 to nearly 400,000 in 1958 of which at least 70% are portables. This compares with 1,226,000 domestically-produced typewriters in 1958. Last year imports jumped to nearly 470,000.

Most interesting aspect of this is all the major US producers now have plants overseas. A large part of the US export total in the typewriter industry consists of parts for assembly abroad and about one-third of the imports are US models.

Transistor Tunes. A big hit with the US consumer has been Japanese transistor radios. The quality of the pocket-sized and smaller models has stood up well and the prices are good compared with US-made products. During the first nine months of 1959 such imports totaled $37,500,000, compared with $17,000,000 for all of 1958. As recently

as April 1957 Japanese manufacturers turned out only 15,000 units for the month. In the like month two years later the total skied to 475,000. About 60% of Japan's transistor radio production heads for the US.

The importing of large numbers of transistor radios has moved the Electronics Industries Association, a trade group of US manufacturers, to ask for tariffs against the vacuum tube substitutes, not on the usual grounds of unfair price competition but on contentions the Japanese transistors could endanger the national defense by stunting the growth of the US transistor industry and leaving the country dependent on foreign sources during time of an emergency. The Office of Civil and Defense Mobilization is investigating.

Now Japanese electronics goods manufacturers are looking for penetration in US markets for other goods making use of transistors. Tokyo Shibaura Electric Company (Toshiba) has introduced for US view transistorized self-balancing recorders and indicators, radiation survey meters, pocket insulation testers and thermistor thermometers. To some extent Toshiba is coming home to roost: International General Electric Company, a GE subsidiary, is a major stockholder.

In another field as close to the consumer as the shirt on his back—textiles—the big news has been the sharp rise in imports from Hong Kong. It now takes a place second to Japan as a textile exporter. In the last year, according to unofficial estimates by textile newspaper, *Daily News Record*, Hong Kong exported $64,000,000 of cotton yarns and apparel to the US *v* $28,000,000 a year earlier. This sharp upturn has brought considerable clamor for restrictions to be tightened, either voluntarily by Hong Kong manufacturers or by order of the US Government.

Plywood imports were up sharply in 1959, as $89,500,000 of the laminated board came into the US in the first eleven months compared with $56,800,000 in the like 1958 period. Almost all of this plywood is of the hardwood type, used mainly for decorative purposes, as distinguished from soft Douglas fir plywood used mainly in construction work. Japan is the largest exporter of hardwood plywoods and the Philippines are second. Both of the biggest domestic plywood producers, US Plywood and Georgia-Pacific Corp, are big importers of plywood. Says US Plywood prexy Gene C Brewer: "We think imports have helped [the hardwood plywood industry] for the very reason that they are relatively low-priced. They have opened up a completely new market."

While plywood imports are welcomed by some, nearly a thirteenfold increase in imports of Japanese

UP GO US IMPORTS
In Millions

Item	*1958*	*1959*
Textiles	$ 901	$1,176
Plywood	64	99
Glass and products	58	90
Iron & steel products	230	578
Iron & steel manufactures	77	112
Electrical apparatus	167	246
Industrial machinery	130	175
Autos	489	735
Office machinery	36	49

stainless steel tableware in three years (1955-57) brought about imposition of a quota last Fall by the US. It is now fixed at 5,750,000 dozen units a year compared to an unregulated 8,500,000 in 1958.

In spite of these striking examples of increases in imports a surprisingly small number of cries for protection have issued forth. Says John J McCloy: "Clearly the answer does not lie in * * * moving backward to new forms of protectionism." Rather the call is for increased exports and for the removal of discriminatory obstacles to US products abroad. Automobile exports, for instance, were higher thanks mainly to trucks but well below imports in dollar volume.

The drive to increase exports will receive the Congressional spotlight before the Senate Commerce Committee (scheduled for April 25 after filibuster-forced postponement) and other cries will be heard. Witnesses will likely urge more military and other Federal grants be used for buying US products (a goodly portion are already so tied). They will also urge, as has the Administration, that countries which have shown the best degree of recovery take over a part of the burden of aid to underdeveloped countries. They will urge the adoption of more labor-saving machinery to make our products more competitive. And they will urge even more of the old college sell. One important proposal: US guarantee of short-term credit for US exporters.

No easy answer is at hand. Says John McCloy: "The plain truth is the US has not had to fight for exports as have many countries in Western Europe. Those days, I am afraid, are gone forever."

US Borax Digs Deeper In '60

20 Mule Team Pulls New Chemical Products For Miner's Success

ALTHOUGH he has been an American citizen for 22 years, president James Mack Gerstley of US Borax & Chemical Corp still belies his British origin when he speaks—and when he doesn't. With a tinge of accent he relates the facts about US Borax but he keeps projections well buttoned up.

The company he heads is the world's No 1 borax producer and traces its origins back to 1890 when industry pioneer Francis Marion "Borax" Smith founded the Pacific Coast Borax Company. After a few years of relative prosperity, Borax Smith decided to seek new markets abroad, enlisted the backing of Britishers James Gerstley (father of the present president) and Richard C Baker. In 1899 the trio formed London-based Borax Consolidated, Ltd which operated Pacific Coast as a subsidiary. A few years later Smith sold out and what was then virtually the entire US borax industry became British-owned.

Home Again. In mid-1956 Pacific Coast Borax again became an in-

dependent American company when it merged with United States Potash Company (another Borax Consolidated interest) to form US Borax & Chemical. Still today the protective parent, now called Borax Holdings, owns 74% of the common stock.

As for the 52-year-old president, he landed in San Francisco fresh out of Cambridge in 1930, worked for Great Western Electro Chemical Company (now a division of Dow Chemical) until 1933. Then "about that time the borax business was looking for some young blood so I joined Pacific Coast as assistant to the general manager." From there he followed the vice-president, general manager route to the top, became head man ten years ago on the death of president Frank H Jenifer.

He heads a company whose greatest asset is its unique position in raw material. The company owns 25,000 acres of land at Boron, Cal, center of the largest known deposit of sodium borate ore in the world, where it produces an estimated 780 tons a day or 70% of all US production. (The US itself produces 90% of total world borax needs.)

The mine contains in excess of 100 years supply of high grade ore. Giant size aside, the California deposit is important because of its purity. It contains a high boron trioxide content which requires less refining, involves less waste.

Borate ore finds its way into hundreds of different uses. Biggest by-the-ton customer is the glass industry, particularly fiberglass, but borates are also used to make heat-resistant borosilicate glass for lab, medical, industrial and cooking uses. No 2 user is the ceramics industry which needs boron products to make porcelain enamels.

Another good customer is agriculture. In this field boron products are most effective as weed killers, though in minute quantities borates are sometimes added to fertilizers. And of course the boron products best known to the consumer are US Borax's famous cleansers "20 Mule Team" Borax and Boraxo. The label dates back to early borate mining days when the ore was carted in wagon loads by a team of 20 mules to the nearest rail junction.

New Markets. Although its traditional markets have stood US Borax in good stead, president Gerstley feels the most promise lies in the other half of the company's title, namely chemicals. Says he: "We believe boron has a great chemical potential yet to be tapped and poly-

Borax British Prexy

mers, especially high temperature resistant plastics, offer the most opportunity. We have a fair possibility of developing something useful in this field. If & when we make the proper breakthroughs, it could be the most important thing for us. There is reason for real hope."

Since "over 100 different uses of boron products have been achieved without research" Jim Gerstley believes "our future may be better than our past." As insurance US Borax will spend $2,000,000 on research this year compared to only $300,000 the first year of the merger. He reminds also: "Some 15% of all borax business in 1959 was developed in the last five years."

Currently boron commercial consumption is growing at an 8% annual rate "and the curve may even sharpen up." Some years back boron was hailed as a possible prime component of high energy fuels and the mundane ore zoomed into the realm of the exotic. Since then however the Government has cancelled contracts for manned aircraft fuel. US Borax still does "some Government research in this area and there is every probability boron will have a significant role in missile propellants."

One of the most important boron developments in recent years is Firebrake, a sodium-calcium-borate fire retardant. It is the substance used in so-called "borate bombing" of forest fires (see picture). The pleased president calls it "a very significant part of our business."

Potash Problems. In addition to its rank as No 1 borax producer the company is also the second largest US producer of potash (after Potash Company of America). Potash accounts for one quarter of total volume but business has been bad ever since 1957. Overproduction and the resulting surplus have reduced potash prices close to an alltime low of $19.43 a ton compared to $22.80 a ton in good year 1941. However Jim Gerstley and other producers hope by June the carryover will have disappeared and prices will rise. Says the hopeful chief: "We should get a price restoration because no one is making any money and we ought to be."

The potash industry centers around Carlsbad, NM on land leased from the state and Federal Governments. US Borax along with many competitors also holds extensive exploration permits in Canada. However the Canadian deposits are quite deep and mining may prove too costly. Right now US Borax is in the midst of studies to determine if future production will be in Carlsbad or Canada. Jim Gerstley allows: "We should decide within the next year but right now I haven't the foggiest notion where it will be."

When he does decide US Borax may be in for another round of capital expenditures. The current budget is a relatively small $4,000,000 "with no particular project getting the lion's share. We're completing consolidation now." This compares with the hefty post-merger outlay of $31,100,000 in 1956 and 1957, most of which went to a switch from underground to the more productive open pit mining at Boron. The con-

Firebrake payload fights California brush fire

version was completed by 1958 but due to heavy start-up expenses that year US Borax earnings sank to \$2,370,000 or 41¢ a share *v* \$1.15 in 1957 and a record \$1.47 in 1956. As a result US Borax has "deferred" dividends since September 1958.

In the same period sales advanced only 5% to \$53,000,000. However in fiscal 1959 which ended September sales jumped 17% to \$62,200,000 and earnings recovered to an encouraging \$6,050,000 or \$1.29 a share. In the first quarter of the current fiscal year sales rose 8% to \$15,700,000 while profits totaled 31¢ a share up from 22¢. As for the second quarter, president Gerstley reports charily, "So far we have nothing to cry about." And for the year "it will be fairly good. I'm cautiously optimistic."

Despite these hopeful results the 4,200,000 shares of US Borax common, which trade on the Big Board as UBX, have yet to respond. They currently sell around 31, only two points above the year's low and 20 points below the high. The alltime high was in 1957 when the boron fuel rage flamed the stock up to 77. Ahead of the common are 145,000 shares of \$4.50 cumulative preferred and \$21,000,000 in long term debt.

President Gerstley notes the company is going through a "further period of shakedown" and will eventually settle down. In anticipation of this he is confident "the board will give serious consideration to the payment of some dividend before the end of this financial year." Once on a sound dividend basis, a compatible merger is likely. Jim Gerstley reasons: "The first line of attack would be along the line of our capabilities such as mining, processing, chemical marketing or grocery products." But as US Borax stands today, it needs no outside boost to keep up with demand. "Our production capability is better than our rated capacity—our ability to expand has never been greater."

NATIONAL ECONOMY
The Race Goes On

THE highest priced publicly traded equity in the world has vanished. For decades the common stock of Los Angeles Turf Club had been the top member of the $1,000 Club (IR, Sept 3, 1958 *et ant*). But last month, to help settle an estate, Turf Club directors voted what amounts to a 375-for-1 split. Based on last week's market of $300 the old stock was worth more than a hundred grand.

UTILITIES
Tampa Electric Tally

SOMEWHAT unassumingly president William C MacInnes of Tampa Electric Company announced last fortnight to a group of Manhattan analysts: "At the present time we seem to be considered a growth company." He is quick to add: "Frankly we believe we will remain in this category for a long time." Tampa has a pretty good chance of doing just that. The 61-year-old electric utility serves a 500,000 population in & around Tampa, including famed Cypress Gardens. This is in a state which "has been growing four times as fast as the rest of the country * * * we are confident we will grow at this same rate for the next ten years."

Tampa Electric business has followed the populace. In the past decade revenues soared more than two and a half times to a record $36,300,000 last year. Profits have climbed almost as fast to $5,600,000 or 98¢ a share in 1959. Moreover the utility has been generous to its 8,300 shareholders. Dividends have more than doubled since 1949 to the current 18¢ quarterly.

Like many utilities, Tampa Electric uses coal to operate some of its generators. Always conscious of shipping costs the enterprising utility entered "the water transportation business" in October. Along with Virginia-Carolina Chemical and Peabody Coal it formed Mid-South Towing Company to barge coal down the Mississippi. The coal is then shipped across the Gulf by another Tampa Electric venture called Gulfcoast Transit Company which is jointly owned with Virginia-Carolina. The company figures this water run "gives us the lowest possible cost for coal delivered to our Gannon station."

Gannon is the company's biggest station, provides 46% of the utility's total 560,000 kw capacity. The company will add 175,000 kw to Gannon this Fall. To pay for such expansion, Tampa sold 240,000 common shares in February. This Summer it expects to make another trip to market, this time for $25,000,000 in first mortgage bonds which will go toward the company's $150,000,000 expansion program. Altogether Tampa plans "to almost double its facilities within the next five years."

Meantime president MacInnes looks for another record in 1960. He estimates "earnings of $1.20 based on current stock outstanding."

ELECTRONICS
Mallory Mettle

BEFORE blasting off into the Sixties with power from its diminutive electronic products, PR Mallory & Company of Indianapolis reported record-shattering sales and earnings for 1959. The $56,000,000-assets electronic components maker boosted sales to $86,500,000 or 23% above 1958; profits reached $4,330,000 or $2.87 a share, exactly a dollar a share better than 1958.

Such a bright year-end picture came from a widely diversified product mix. The 44-year-old company classifies its more than 1,500 products into: 1) electro-chemical devices which include zinc, carbon and mercury batteries and a wide family of capacitors, bring in 50% of sales; 2) electronic products—vibrators, switches, volume control units, rectifiers which tally 25% of sales; 3) metallurgical products—pressed metal powders, contact welding and resistance materials and conduction materials which account for the final 25%.

Mallory's power-packed elfin products serve primarily the automotive, appliance and communications industries (radio, TV & phonographs). But the Government is also a big customer. Administrative vp George Barron Mallory (son of founder-chairman Philip Rogers Mallory) notes: "Defense orders this year should account for some 16% of sales" *v* 12% last year.

Mainly concerned with defense order contracts is the recently established (July) Mallory Electronics division which specializes in formation of sub-assembly systems. Barron Mallory points out the "increasing demand for the division's induction tuning device." This division may be expanded before the end of the year.

Definite expansion blueprints have been drafted for increasing by 50% the capacity of the Chicago plant which makes ceramic capacitors. These additional production facilities should be on stream by "the third quarter." Expansion of mercury battery production facilities is already underway at Lexington, NC. And in the last quarter of 1960 Mallory expects its Greencastle, Ind plant for the manufacture of tantalum capacitors to be in production. These are used in satellite and missile systems.

Foreign Fire. Mallory also plans expansion overseas. As Barron Mallory explains: "The increased demand on the continent for appliances plus the formation of the European Common Market has spurred us on to look for favorable partnership deals." Mallory may soon seal a partnership with an Italian company for production of timer switches for washing machines. Mallory is already at work in Britain and Germany and is well represented in Canada, Australia and Brazil.

With the company's increased expansion and modernization program underway Barron Mallory admits: "Capital expenditures will be well over depreciation this year." The company plans no equity financing, will pay for its expansion from retained earnings and available

Rigid tests for Mallory capacitors

funds, in October arranged a 15-month, $2,000,000 standby bank credit.

Also on the climb this year is Mallory's research budget which Barron Mallory expects to come to "4.6% of sales." He adds: "These funds will be evenly distributed among all our product groups." In 1959 research expenses were $3,500,000 or about 4% of sales.

One Mallory research-based venture not as yet "in the black" is the company's one-third interest in Mallory-Sharon Metals Corp. Mallory first got interested in titanium in 1951 and set up a joint subsidiary with Sharon Steel. In 1957 National Distillers & Chemical Corp bought a one-third stake in this enterprise. The venture has been plagued by the change in military emphasis from supersonic planes to missiles and the resultant wide drop in titanium prices. Last year the Bridgeport Brass Company agreed to make its metallurgical know-how available along with an option for a stock interest in Mallory-Sharon. Even so, Barron Mallory admits "charge-offs for new facilities this year will prevent Mallory-Sharon from being in the black."

Bull's Eye. But aside from Mallory-Sharon, Barron Mallory notes: "On an overall basis we're on target. In fact for the month of January sales were up 10% over January 1959. And for the full year sales should be up 10% and earnings 20%."

The company's 1,440,000 shares do not reflect Barron Mallory's optimism. They trade on the Big Board at 41, nine points below the alltime high scored in 1959. At this price the stock is selling at only 14 times last year's earnings which is comparatively rare for an electronics-tinged issue.

PAPER
Billion Dollar Bow

NEWEST MEMBER of the elite Billion Dollar Club is paper king International Paper Company which made the grade with record 1959 sales of $1.03 billion up 13% from the year before.

Giant International had been flirting with membership ever since its 1955 merger with Seattle's Long-Bell Lumber but the closest it came was 1956 when sales tallied $970,000,000.

As is true of most other paper companies, earnings of International have been squeezed by competitive costs, have yet to match

the peaks of 1955 and 1956. Nonetheless 1959 profits showed a tidy 16% gain to $83,600,000 or $6.21 a share.

During the year the No 1 papermaker lived up to its title and became truly international. Long a world-wide supplier, it took the first step in overseas manufacture when it established shipping container makers Hch Sieger GmbH in West Germany and Societa International Lavorazione Carta e Affini SpA (SILCA) in Italy. Both are jointly owned with local interests. A half interest in Cargal Ltd gives International shipping containers in Israel while its newly-organized South American affiliate Envases International supplies the Venezuelan market with milk container blanks.

International should continue its elite membership during 1960. But chances are it will not tally the same percentage gains as in 1959. Growth for container board currently runs around 6% *v* 11% for all of last year and is expected to level off later in 1960. And with lower housing starts expected this year the outlook for lumber and plywood is cloudy.

Meantime the 13,300,000 shares of International common which sank to a 1959/60 low of 107 in the recent market decline have bounced back somewhat.

Many Wall Streeters figure IP a potential split candidate, it last split 2-for-1 eleven years ago. But word has it if a split is forthcoming this year it will be after the annual meeting in May.

FUELS
Suburban Gas Arrives

WHEN DIRECTORS of Suburban Gas (formally Suburban Gas Services Inc) meet tomorrow in Pomona, Cal headquarters they will have in hand the best interim report ever issued by the twelve-year-old company. For the nine months ended January revenues of the liquid petroleum gas distributor (which is not to be confused with far larger Suburban Propane Gas) expanded 37% to $10,800,000. More importantly net climbed to $1,200,000 or 98¢ a share from $690,000 (56¢ a share) adjusted for a 2-for-1 split in February. And for the April 30 year president William "Sid" Sidenfaden predicts sales of $15,000,000 compared to the fiscal 1959 total of $11,400,000 with earnings of "$1.40 plus."

Along with heralding the sharp profits rise directors will consider the fact they have raised the divi-

Family man Sidenfaden

First delivery from Lybrook

dend in each of the past nine years —"a record of which they are very proud." Sid Sidenfaden notes all in all he counts on a "substantial" increment in the current 56¢ annual payout. The increase will be indeed welcome to the 2,300 Suburban Gas stockholders. The 1,200,000 shares now outstanding which were listed on the Big Board just a few days ago yield a meager 2.2% based on their recent quote of 25. At this price the stock sells at 18 times earnings. Suburban has earned this ratio with record sales & profits in each of the past ten years and "in January alone we did a bigger volume than in our entire first year."

President Sidenfaden who graduated from Notre Dame "in the class which broke the stock market" expands on the origins of his company: "In 1940 after eleven years with Union Oil I founded Home Gas Company in Ontario, Cal. I started out with a pickup truck, $8,000 in capital and no customers. Four years later Richard C Harriss who was also at Union Oil and is now second in command at Suburban began Rural Gas & Appliance Company a few miles from me."

In 1948 "we put our two companies together" to serve 2,300 customers in Southern California. During the next dozen years Suburban grew to be "one of the two largest LP-gas distributing companies in the far West" (the other: Petrolane Gas Service Company). It is also "among the ten largest companies in the industry in the US." And prexy Sidenfaden estimates "in gross sales we stand fifth, in net we are no worse than third and as far as I know in return on capital we are tops." However the liquid petroleum distribution industry is small change compared to the vast natural gas industry.

Sid Sidenfaden has more than the usual impetus to succeed. The 53-year-old president is the proud papa of seven girls and five boys, "the oldest is twenty and the youngest is in kindergarten." On a quick trip to New York a few weeks ago the busy executive managed to take his daughter, a Manhattanville College student, to see *My Fair Lady*.

But most of his time Sid Sidenfaden spends supervising the ever-broadening Suburban Gas operations. The company now serves 73,000 customers in eight states (California, Oregon, Washington, Idaho, Utah, Colorado, Arizona, New Mexico). It buys LP-gas from "virtually all the major oil companies," maintains 117 marketing plants to distribute the fuel. Just last fortnight it began receiving deliveries from the new Lybrook, NM refinery of Southern Union Gas Company. Under the contract Southern Union will supply the company with 20,000,000 gallons annually "at a most reasonable rate."

About 60% of sales are to "domestic households" and most of the remainder is to industrial customers and other distributors. The company's forte is of course supplying remote or suburban areas where "we require neither pipe nor a power line—only wheels." And president Sidenfaden who sees no real threat from either electricity or natural gas maintains: "We will go out of business only when all the houses in the US are 150 feet apart."

As in many other young growth industries Sid Sidenfaden points out "the trend in the LP-gas industry is towards the amalgamation of smaller companies into larger, more efficient units." Suburban has certainly followed the pattern. In the first nine months of fiscal 1960 the company purchased twelve concerns with 17 plants for $1,800,000 in cash and notes. Suburban generally buys for "about four times anticipated profits before taxes and interest but in the last two years we've beaten that ratio." All told since 1948 the $13,000,000-assets distributor has acquired 51 separate companies with fixed assets of $9,600,000.

Since the LP-gas industry is not regulated Suburban can operate in any state and boss Sidenfaden admits "we would like to do that." Currently the company "is working on four more acquisitions, two small and two big ones."

However Suburban is not content to expand through acquisition alone and "we have very good growth prospects in our present companies." Moreover some recent Suburban developments should improve the efficiency of these operations.

A month ago the company started drilling a salt-dome underground storage area for gas in Utah. When finished in July it will hold 4,200,000 gallons and "this can be expanded by 50%." Underground storage costs about 5¢ a gallon compared to 50¢ for above ground. In addition "our trucks will be able to operate year-round and we can buy gas in the summer when it is cheaper."

With these factors in mind Sid Sidenfaden predicts a 10-to-15% increase in both sales and earnings for fiscal 1961 and this estimate does not include any acquisitions. As for the future "we have thought a lot about entering Central & South America but nothing is definite so far." These thoughts also carry over to European gas operations where president Sidenfaden notes with a gleam "there are really tremendous growth prospects for LP-gas."

METALS
Changing Scene

PRESIDENT Horace Y Bassett of Calumet & Hecla Inc likes to emphasize the fact his company is no longer just a copper mining firm. By the end of this year he figures more than 75% of company sales will come from fabricated and manufactured copper and aluminum products and only 13% from copper mining, smelting & refining. Of the rest, 6% will result from uranium mining and 3% from forest products.

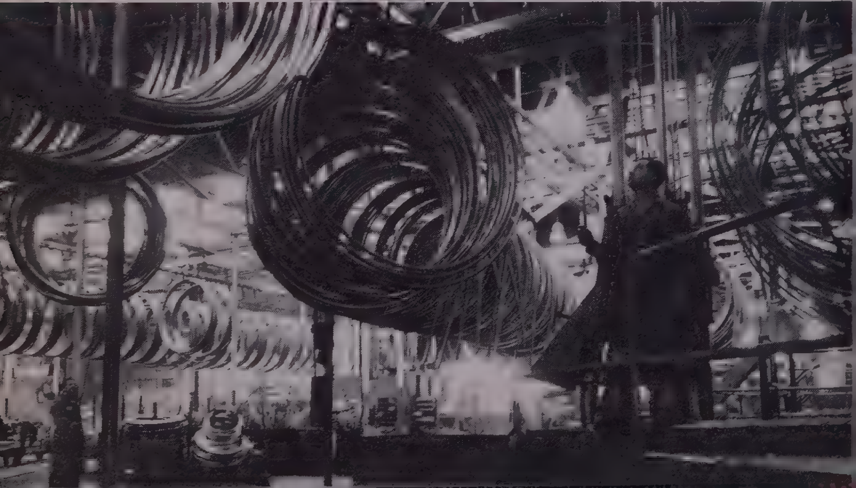
All told, this should add up to a record $100,000,000 volume, a hefty gain over the $81,700,000 rolled up last year. The 1959 score in itself was a solid advance from the year before. Sales rose 51% and profits soared 66% to $4,711,000 or "the highest per share earnings in 30 years"—namely $2.27 a share *v* $1.31.

Part of Calumet's 1959 success was due to an uneventful labor year in which Horace Bassett reports "we had no stoppages in any operation."

Another factor was the company completed its first full year at its "highly profitable" (12% net) New Mexico uranium mine. Most importantly the good gains reflect some "major facility improvements" (part of a $30,000,000 expansion and modernization program started in 1953) at the company's Wolverine division tubing plants in Detroit and Decatur, Ala. Another contributor was the new Wolverine tube mill across the border at London, Ont which also had its first full year in operation.

To help reach its sales goal in 1960, Calumet has a number of hot items. One is strubing, the inflatable metal tubing which can be rolled up for shipping and then inflated at point of usage. Since Calumet introduced strubing last July, president Bassett reports "over 2,300 inquiries received and any one of the dozen or more practical applications suggested could lead to the

Coiled tube at Wolverine



need of a separate production plant for that one application * * * already we are drawing up detailed proposals for an exotic metals production facility and a semi-works production unit for strubing."

Another volume contributor will be subsidiary Flexonics. Acquired only two months ago, Flexonics makes flexible metal tubing, synthetic hose products, bellows, expansion joints, etc. This gives Calumet a foothold in the instrumentation & controls field. President Bassett reports "we hope to add onto it at either end till we get fully integrated."

One of Calumet's most exciting new ventures is 70%-owned Alabama Metallurgical Corp called Alamet. Brooks & Perkins owns the other 30%. A new $3,500,000 plant completed late last year makes Alamet the second major commercial magnesium producer (Dow Chemical is the other).

Horace Bassett feels this new facility "can have a far-reaching impact on the future course of our company." Magnesium is now used by the AEC and military suppliers. One hope is that potential large-scale users such as the auto industry will greatly expand their consumption since more magnesium is now available.

With his $100,000,000 sales goal, prexy Bassett expects only a "moderate increase" in earnings. Reason is "a complete revamping" of Flexonics will cause "a temporary dilution" of earning power. However he adds "we would have had to pay 3-to-4 times as much to get what we wanted if we had bought a well company rather than a sick one."

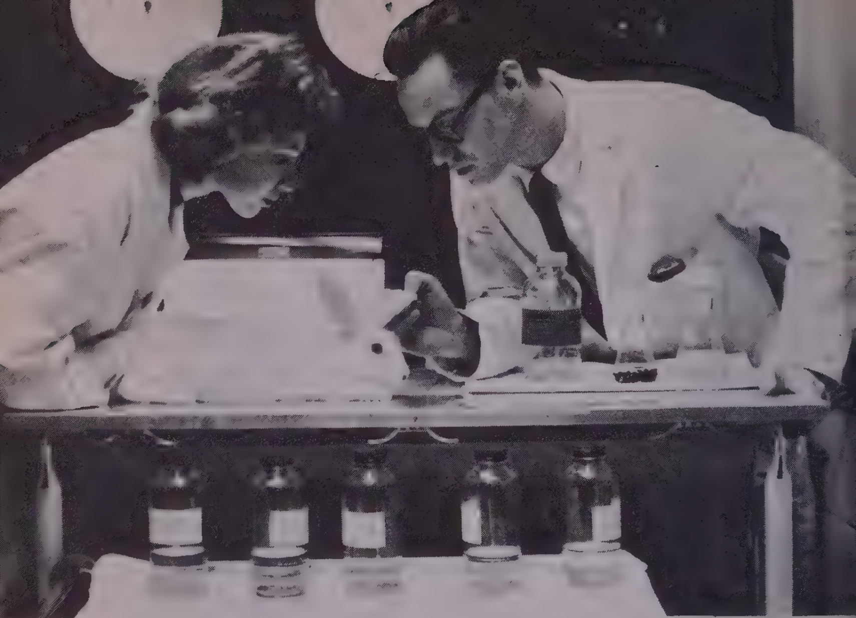
But eventually, he notes "we expect the earnings trend of the last year to continue and it is our job to see that it does."

MANUFACTURING
AHS Celebrates

WHILE floor brokers are not noted for their ability to sing, it would not have been amiss last fortnight for Big Board traders in the vicinity of Post 5 to croak a few choruses of "Happy Birthday." It was not only the first day of listed trading for stock of American Hospital Supply Corp (ticker symbol AHS) but also the 38th anniversary of its founding and the 63rd birthday of chairman Foster Glendale McGaw. Natal day celebrant McGaw who founded the company with only $30,000 capital has since seen it rise to a $40,000,000-assets concern.

To live up to its name as supplier, AHS is compelled to be diversified. It markets more than 25,000 products to outfit a hospital from operating room to ward and a lab from test tube to microscope. About 80% of total sales are products AHS buys from others, the remainder are made by the company itself.

Home for American Hospital Supply is tree-lined Ridge Avenue in residential suburb Evanston, Ill. But its quiet middle-class surroundings belie the transcontinental and international scope of the company. As the nation's largest hospital supply firm, AHS carries on its sales activities through 250 full time rep-



Intravenous rabbit food

resentatives, proudly boasts 95% of all the nation's hospitals as customers at one time or another.

AHS products fall into three main categories: hospital supplies, including rehabilitation products which account for about 53% of sales, laboratory supplies (22%) and parenteral products (25%). The latter are materials and solutions for intravenous injections. In 37 Eastern states AHS distributes parenteral solutions made by Baxter Labs. In the West AHS subsidiary Don Baxter Inc makes and distributes the solutions.

This part of AHS operations was further strengthened by the purchase last May of Mead Johnson's parenteral division.

Acquisitions have been a historical fact with AHS and many of the companies acquired are now operated as subsidiaries. Among them are V Mueller & Company, a surgical instrument company; Massillon Rubber Company, which makes rubber gloves and Mealpak Corp which sells vacuum sealing and serving equipment for hot & cold meals.

Buy Binge. The acquisition docket has been especially full in the last year. Besides the Mead Johnson parenteral division and Massillon Rubber, AHS added four other companies in 1959, two of which provide entries into other countries. Taking AHS to Canada was the October purchase of the important assets of distributor Fisher & Burpe Ltd (now an integral part of newly-established American Hospital Supply Corp of Canada) for $920,000.

South of the border AHS bought Hoffman, Pinther & Bosworth, SA for $540,000. It distributes laboratory supplies and equipment mainly to hospital labs in Mexico.

On a different tack was the acquisition (for just under 50,000 common shares) of ethical drug maker Arnar-Stone Labs of nearby Mount Prospect, Ill. Says Foster McGaw: "Parenteral products are an ethical drug line sold under prescription from doctors, so this is not really a new departure for us." Arnar-Stone earned $103,000 on sales of $1,169,000 in the fiscal year ended April 1959.

New purchases have not been the only important AHS activity in recent months. In January the company sold 200,000 shares of stock which brings the total outstanding to 2,506,000. Then came the details attendant to its Big Board listing. The initial listed quote for AHS was 38, off 4¼ points from the offering price of the stock issue and 12 points from the alltime high reached last Fall. Nevertheless its current price is still nearly 25 times 1959 earnings.

As such AHS heartily qualifies as a growth company and its record proves it. Sales in the last decade have jumped three and a half times to $77,881,000 in 1959 while net income has increased from $923,000 or 47¢ a share to $3,318,000 ($1.47). Indeed the company has shown sales increases in each of the last seven years and earnings boosts in each of the last six.

Much AHS growth is due to the large increase in US hospital admissions which have swelled almost 40% in the last decade compared to only a 15% increase in population. The reasons of course are better health education, more widespread hospitalization insurance, higher personal incomes.

With these statistics in mind AHS president Thomas G Murdough figures "sales and earnings will increase about as they have in the last two or three years,"—namely 10% a year which would mean 1960 sales of $85,000,000 and income of $1.62 a share.

President Murdough concludes: "Our industry is not depression-proof, but it is one of the last to turn down and the first to recover if business generally does not go well. After all, people still get sick."

TRANSPORTATION

Hi-balling With White

AT A FRISKY SIXTY years old White Motor Company regally carries an enviable record as a US truck builder. Over 1,800 companies have started on this road since White built its first vehicle in 1900 and of the few companies which survive White is the oldest and largest independent maker of heavy duty trucks. Today $162,000,000-assets White accounts for one quarter of the nation's output of big trucks.

Concentration in heavy duty trucks has been prophetic—in recent years demand for big vehicles has risen faster than the truck business as a whole. To hi-ball faster, White has acquired Autocar, Reo and Diamond T since 1951. Each of these now operates as a White divi-

sion and specializes in different sizes & shapes of big trucks.

Sales have mounted regularly and last year hit a peak one-third billion or 24% over 1958. Even more impressive in record breaking 1959 was a 100% earnings jump to $14,000,000 ($6.94 a share *v* $3.48). President John Nevin Bauman and experienced chairman Robert Black attribute this unusual performance to "a good rise in sales without a corresponding increase in expenses."

At the ripe age of 60, White plans to invade a new field—multi-stop delivery trucks. White has named its models PDQ for pick up and deliver quick. Explains 61-year-old "Ned" Bauman: "Addition of the PDQ to the White product line points up our policy of developing and building equipment to meet particular needs of each industry. We are interested in any move which enables White truck users to operate at lower cost and attain a competitive edge."

Dwarfed by its big brothers in the White family, the PDQ is designed for door-to-door service by dairies, laundries, department stores, vending machine suppliers and the like. Right now the line includes five models in two series with gross weights of 5-to-7,000 pounds. Later this year two more series with models up to 16,000 lbs will be added. White does not plan full speed sales until it is positive its new PDQ is OKay in original sales areas.

A feature of the PDQ is a White specialty: make it easy to get to the engine. Hence the little truck has a power dolly which permits easy removal of the engine for repairs. Explains Fred Cushing, sales manager of the new PDQ division: "This means spare dollies can substitute for spare trucks in a fleet * * * Some of our ideas are small points but when incorporated for driver comfort, safety and ease in operation plus greater pay load for work efficiency, they are what tell the story of a well-designed product."

The PDQ was born in Ohio's Montpelier Manufacturing which White took over in October. Montpelier president Harry A Schwartz continues to direct the company. Fred Cushing is another light truck specialist. He once worked for White, switched to Divco-Wayne and is now at White again.

PDQ production began in February, the new line was shown to dealers the past few weeks and distributors have placed their orders. Plans call for production of 25-to-40 models a week and 150-to-200 new dealers to help get PDQ on the American road. If good people and a good product can do the job, this is only the beginning.

RETAIL TRADE
Interstate Interest

ENERGETIC 49-year-old Sol Cantor, president of Interstate Department Stores summed up his retail philosophy the other day: "At Interstate we believe in two types of retailing — mass, low mark-up discount house sales and older traditional department store operations."

Supermarket service at a Family Fair store

The $26,000,000-assets Interstate chain operates 48 of the "more traditional two and three-story department stores," mostly in small Midwest manufacturing towns.

In the last ten years Interstate sales have fluctuated with changes in the general economy—especially in the auto industry since auto equipment makers are the principal employers in most Interstate towns. Volume for this ten-year period has ranged between a high of $67,000,000 in 1956 and a low of $61,000,000 in 1949. Earnings have been more erratic—and more often than not on the downside. Profits reached a high of $1,990,000 or $6.45 a share in 1950, dropped off to $3.36 by 1953 and to an 18-year low of $650,000 or $2.06 in 1958.

Last April retailer Cantor moved to update Interstate's merchandising techniques and lessen its dependence on automotive payrolls. He purchased White Front Stores of Los Angeles for $1,500,000 in cash and 16,400 shares of Interstate common. White Front added two supermarket-type discount houses to the Interstate chain.

Then last May Interstate announced plans for its own discount house operation under the name Family Fair Stores. The first was opened in Toledo last August, another in Canton in October. Three more Family Fairs and one White Front are scheduled for 1960.

After the dismal record of 1958, Sol Cantor has happier news for the year ended January. With final reports due by May, he estimates sales of $90,000,000, earnings "slightly over $4 a share."

While 32-year-old Interstate is a Big Board veteran (listed since 1943) it has an extremely small common stock capitalization of only 339,000 shares, including 37,000 owned by United Whelan. This naturally makes for a thin market. Traders appear to have discounted at least some discount store progress since latest quotes around 38 show a 25% rebound since 1958.

Busy Days at Robertshaw-Fulton

Virginia Controls Maker Modernizes & Expands To Boost Profit Margins

RICHMOND-ROOSTED Robertshaw-Fulton Controls Company is southern as far as its executive home and heritage are concerned. But here its Dixie kinship ends. With nine US plants and six foreign operations the Big Board listed controls maker (ticker symbol: ROF) spreads itself far afield of the Mason-Dixon line.

ROF is an offshoot of another Richmondite, Reynolds Metals Company. To raise cash Reynolds merged five thermostat subsidiaries in 1947 and then sold the securities to the public. The metals king still owns 30% of its offspring and Reynolds president Richard Samuel Reynolds Jr is chairman of the board. Otherwise ROF is completely divorced from Reynolds. President Thomas T Arden reports: "We buy our aluminum from all the producers."

ROF controls the kitchen

This aluminum as well as substantial supplies of brass, copper and steel go into a wide variety of complete control units and systems.

Essentially these fall into two general categories: thermostats and bellows & related assemblies. ROF is the No 1 producer of thermostats for appliances such as ranges and clothes dryers. In addition it is a major factor in the plumbing, heating & industrial instrumentation fields.

ROF is also a big supplier to two of autodom's Big Three. Tom Arden says: "GM has always had the bad habit of making its own controls but Ford and Chrysler are big customers for our engine and car heater thermostats." As for the bellows "we use them very extensively in our own products. We also sell them to many of our contemporaries as prime movers for their controls."

While Tom Arden refuses to give a product breakdown—"delightful information for our competitors"—he does allow "defense was 15-to-16% of our business last year." This was almost all in ground support equipment and components for the Titan and Atlas ICBMs. These are manufactured at a modern facility in Anaheim, Cal.

Posh Plant. All but one of the ten ROF manufacturing plants in North America are streamlined, single story installations "and each

is under eight years old." Newest is a 360,000 square foot $4,000,000 facility at New Stanton, Pa scheduled for completion in mid-year.

This new factory which will produce range and other appliance controls will give ROF what president Arden terms "a total annual manufacturing capacity of over $110,000,000" in the US and Canada. Unconsolidated foreign operations add another $12-to-13,000,000.

In addition the company has two research centers "geographically removed from and not a part of any of our manufacturing divisions." One of these is at Disneyland, Cal, the other a brand new center at King of Prussia in suburban Philadelphia.

Altogether in the last six years the company has spent over $21,000,000 just on plant improvement in an attempt to cut costs and improve operating efficiency. The ROF modernization began to pay off last year. While volume climbed only 16% to an alltime high of $79,500,000 earnings advanced a hearty 44% to $5,760,000 or $3.35 a share for the second best profits year in company history. This compares with a profits range of $2.36-to-2.82 for the five previous years. Peak profits year was Korea-inflated 1950 when the company earned $5,790,000 or $3.38 figured on present shares outstanding.

President Arden says: "Last year our profit margins were 7.28% after taxes and in other years we've been as low as 5% and a fraction. In the future we hope to stay substantially above 7%. The biggest frog in our puddle, Minneapolis-Honeywell had a 7-to-8% margin last year."

Regardless of the healthy rise in earnings ROF directors chose to pay a 2% stock dividend at the end of last year rather than hike the $1.50 annual which has been paid the last nine years. This fits in with president Arden's expansion ideas. He notes: "In the future we may continue to augment the cash dividend with stock and retain our excess earnings." At this rate the 1,700,000 ROF shares which sell around 50 yield exactly 3%. And while this price is ten points below the recent high, it still represents a nice advance from the low of 31 just last year.

Cooler News. The stock ascent might be due in part to some new ROF products. In December the company announced exclusive rights to produce and market a gas-fueled compressor for air-conditioners. The compressor was developed by Battelle Memorial Institute of Columbus, Ohio with American Gas Association funds. This utility organization will promote the compressor to even out the winter gas load and prexy Arden believes "it will really put on a big sales effort." He adds: "We obtained the license to produce up to 20 ton units on a very modest royalty basis."

This new type of compressor explodes gas at one end of its cylinder driving a free piston down to compress the refrigerant at the other end. The cooled refrigerant is then circulated through the machinery in the central air conditioner. Unlike

the old gas absorption systems this unit "will be competitive in first cost with electric air conditioners. Furthermore the operating costs will be very attractive even in areas where gas and electric rates are comparable."

Tom Arden thinks the compressor eventually "will become a tremendous thing for us," plans to test six prototypes this year. Large compressors for central air conditioning systems are slated for market by 1961 with smaller units for autos to follow soon thereafter. President Arden predicts "by 1962 we will really hit the market with a bang." He visualizes a minimum $35,000,000 business a year.

Slated "to bang" even sooner is the company's recent Acragage acquisition. Acragage which makes pressure gauges and indicating instruments for the petroleum, chemical & process control industries was bought just three weeks ago from Chicago's International Register Company for a small but undisclosed amount of cash. Its current volume is only about $500,000 but president Arden thinks "with our wide sales organization it can do several times that within a year or two."

Acragage also "fits in nicely" with ROF's new Microsen line of control instruments which was purchased early this month for $1,500,000 from Manning, Maxwell & Moore. Another recent ROF acquisition: water system controls maker Mairco Inc of Goshen, Ind which ROF purchased last November for 9,200 ROF shares worth about $450,000.

Headlines Abroad. ROF also counts on substantial gains from its foreign business. Tom Arden says: "The increasing potential in the foreign market is one factor pointing to the bright future for the controls industry." The company presently has operating subsidiaries in Canada and Australia along with an affiliate in West Germany.

And this network is currently being greatly enlarged. President Arden notes: "In a month or so we will open a 10,000 square foot plant in Mexico City. Then in about 60 days we will finish our installation in Italy near Turin and this Summer we plan to have a subsidiary in Sao Paulo, Brazil in operation." And sometime this year "we hope to commence a facility in France."

All told with the new operations president Arden looks to "1960 sales and earnings better than last year," and counts on "a decided growth in the next half decade."

Investor's Reader Staff

Phebe Alexander, *Editor of Issue*
Barbara Buehrig, Anne Gregory
Betsey Casey, Maryjane Tanahey
Fred Weymuller
Henry R Hecht, *Managing Editor*
LA RUE APPLEGATE, *Editor*

Production
Carol Trick, *Artist*
Madeleine Guida
Annette Miller

Contributors

Donald Bauder, *Chicago*
Thomas Brahany, *Washington*
Robert Mason, *Chicago*
Harry Myers, *Cleveland*
William O'Donoghue, *Detroit*
Armida Tommasi, *New York*

Please send address changes to Western Printing Co, Poughkeepsie, New York

MILLION-DOLLAR COAL FRONT

Sometime in the next week or so the National Coal Association will move into its new million-dollar home directly across the street from Washington's continually busy Mayflower Hotel. Appropriately enough, the new building has polished black granite with gold anodized aluminum window frames. But the NCA insists the real showplace of the new structure is not the facade but the modern coal-fired boiler room equipped with two Coal-Pak automatic package boilers which will be used for both space heating and air conditioning. Besides it is the only boiler room in the US with Muzak.

Notes one NCA official: "This is typical of coal's new up-and-at-'em attitude." This probably is true for the bituminous coal industry. Unlike hard anthracite, the underground soft bituminous mines lend themselves to mechanization. Thus a ton of coal at the mine today costs only $4.86 or 13¢ less than in 1948 despite wage increases of more than $10 a day a miner. In the same period mechanization has almost doubled the average miner's daily output to 12½ tons worth more than $60.

The soft coal industry counts utilities as its biggest market. Last year coal generated more than half the nation's electricity and the utilities burned up 166,000,000 tons of bituminous coal. No 2 burner is the steel industry. Last year the steel strike dampened coking coal consumption and this was largely responsible for the slump in soft coal production which came to only 410,000,000 tons or the same level as 1958. This year steel is expected to take a total of 103,000,000 tons and the coal industry expects production in the neighborhood of 436,000,000 tons.

TERTIUM QUID

"All human wisdom," according to Alexandre Dumas, "is summed up in two words: wait and hope."

To those two words, we would add a third—and put it first. Our word is *plan*. For whatever the pleasures of drifting with the tide, in financial matters nothing could be more foolish than to leave everything to time and chance.

The first step is to make sure that you have enough money to cover living expenses comfortably, adequate insurance to protect your family, and ready cash to meet emergencies. Then it's time to plan your investments, and that's where we come in—if you want us.

Suppose you've decided on the direction you want to take but need help in plotting your course. Why not outline your financial situation and your objectives in a letter to our Research Department? You'll get an informative, conscientious, unbiased reply from an experienced member of our staff—without charge or obligation. While you're waiting and hoping for your ship to come in, Research will help you plan a course.

Accepted as controlled
circulation publication at
POUGHKEEPSIE, N. Y.

Published by
MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED
70 PINE STREET • NEW YORK 5, N. Y.

Please send address changes to
Western Printing Co., Poughkeepsie, N. Y.